

# INSTANT AVAILABILITY OF ELECTRONICALLY TRANSFERRED FUNDS

## ABSTRACT

5 A system and method for making proceeds of an ACH (Automated Clearing  
House) transaction available to a user before the transaction is completed. The  
system may be part of an on-line or traditional merchant or system configured to  
allow or facilitate payments or fund transfers from users. When a user requests  
payment or transfer of funds to an entity (e.g., another user, a merchant, the user's  
10 account with the system) via an ACH entry, the system authorizes the amount  
against a credit source of the user or otherwise verifies that the user has sufficient  
credit to cover the payment/transfer. If the authorization succeeds, the system  
places a hold on the credit source in the amount of the transaction. The ACH  
entry is then initiated and the desired funds are released. If the ACH transaction  
15 rejected or returned, the user's credit source is charged.